



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 11 2018 (ending 16/03/2018)

**“The only thing to do with good advice is to pass it on. It is never of any use to oneself.” – Oscar Wilde**

**Irish residential property prices rise by 12.5% in the year to January** – The Central Statistics Office reported that residential property prices at national level increased by 12.5% year-on-year in January, with Dublin prices up by 12.1% and the Rest of Ireland by 13.0%, with the West region showing a 17.2% rise.

**Irish exports up 16% in January** – Latest preliminary figures from the Central Statistics Office show that seasonally adjusted goods exports for January 2018 grew by €1,674 million (+16%), compared to December 2017 while imports decreased by €67 million (-1%), so leading to a 46% increase in our trade surplus.

**Global stock market down 0.4% on the week** – The MSCI AC World TR Index showed a 0.45% fall from 9th March to 16th March, with heightened tensions over trade rows between the US and China as well as Canada. The CBOE Volatility Index (or VIX) on 16th March closed at 15.80, up from 14.64 at end of previous week.

**Eurozone year-on-year inflation down to 1.1% in February** – Eurostat revised consumer prices in the 19-country bloc to just 1.1% in February from February 2017 (compared to 1.3% in January), the lowest rate since late 2016 and well short of the targeted rate of near 2%. This calls into question the possible QE end date.

**U.S. business and consumer confidence hits 15 and 16 year highs** – Confidence among U.S. business chief executive officers hit a 15-year high in the Quarterly Business Roundtable CEO Optimism survey while the University of Michigan Consumer Sentiment Index in early March was 102.0, its highest level since 2001.

**U.S. retail sales in February disappoint** – The Commerce Department reported that retail sales declined 0.1% in February, well below the 0.3% to 0.4% rise expected and falling for the third successive month. Consumer spending, the largest part of the economy, has fallen following a strong rise in the fourth quarter.

**The Story of the week:** An unidentified male driver was stopped by Thames Valley police in Milton Keynes, Buckinghamshire and his car was seized for driving with no insurance and driving without a proper licence. The licence was in the name of Homer Simpson. Unfortunately the date of birth on licence was 4 August 1963, while as any good policeman would know Simpson's real date of birth is 12 May 1956 and the address was down as 28 Springfield Way, not 742 Evergreen Terrace so the police very intelligently deduced that it must have been false.

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# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD (to 16/03)</b>
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	1.4
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-4.4
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-6.0
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-1.7
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	3.4
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	8.4
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-4.8
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	4.1
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.0
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
U.S.	3.0	2.2	2.2	2.4	2.4	2.8
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.0
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	2.0
Greece	8.2	9.6	7.9	7.1	4.1	4.2
Portugal	6.1	2.7	2.5	3.8	1.9	1.7
Spain	4.1	1.6	1.7	1.4	1.6	1.3
<b>Central Bank Rates (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.50
<b>Foreign Exchange Rates</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.23
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.40
<b>IPD All Property Return % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

\*Past performance is not a reliable guide to future performance